The Director of Central Intelligence

ICS REGISTRY

Washington, D.C. 20505

Intelligence Community Staff

1/m to 2' DCI/ICS 83-3430 23 June 1983

MEMORANDUM FOR: Senior Interagency Group (Intelligence)

FROM:

Executive Secretary, SIG(I)

SUBJECT:

Minutes of 8 June 1983 SIG(I) Meeting on CI

Organizational Study

Minutes of Meeting

The Chairman, Mr. William Casey, opened the meeting by calling for review and action concerning the CI Organizational Study as presented by the Chairman, IG(CI). Mr. Casey briefly described the Study and explained the context within which it was produced in response to NSSD-2.

At Mr. Casey's request, Judge Webster, Chairman, IG(CI), summarized the Study's content and findings. He provided background on how the Study was conducted, a description of its scope, and a brief overview of each section. Referring to the Study's conclusions and recommendations, Judge Webster emphasized that: (1) no significant changes are needed in the current CI organizational structure; and (2) creation of the IGs under the SIG(I) has provided CI agencies with adequate forums for effective coordination of CI activities. He noted the Study's finding that interrelationships among CI agencies are good, that areas for improvement within the current structure have been identified, and that an alternative structure would involve legal complications, legislative action, and policy considerations. Judge Webster also noted comparatively that CI organizations of major nations in the Free World are organized to keep separate internal and external services. He concluded by calling attention to specific areas for improvement cited in the Study, and progress already under way in certain of those areas, e.g., integrated training of CI personnel, and an FBI budget increase for CI in FY 1984 for advanced degrees and advanced language training for FCI special agents.

Relatedly, the Chairman called each member's attention to a particular concern of the Senate Select Committee on Intelligence (SSCI) regarding the Intelligence Community's capability to perform multidisciplinary counterintelligence analysis. He cited specifics from the SSCI Report on the FY 1984 NFIP Budget (Classified Annex) which directs the DCI to prepare an indepth study in this regard. The SSCI also directs that the DCI report include

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the recommendations of a study of this matter by a small advisory commission selected by the DCI in consultation with the Secretary of Defense and the Attorney General. Mr. Casey expressed his personal aim that the hostile intelligence threat be carefully examined and evaluated; he also suggested that the small advisory commission be comprised of retired intelligence officers.

The Chairman solicited members' views regarding the CI Organizational Some members commented briefly on certain aspects of the Study, e.g., recommendations should be spelled out by the specifically responsible agencies (Mr. Hughes, Office of the Vice President), and a better fleshing out of ways to ensure interagency exchange of CI information DIA). Members endorsed the Study, its findings and recommendat tons.

Regarding the need to enhance multidisciplinary CI analysis, D/ICS, advised that the SSCI Report does not include 30 additional billets that were discussed during the Committee hearings on CI. He said that, if approved, an augmentation of 30 billets should be allocated among certain CI agencies and the IC Staff, and not be assigned entirely to the IC Staff as originally proposed.

The Chairman asked for members' views on how the CI Organizational Study recommendations should be implemented. He reiterated the importance of improvements needed in the analytical area, noting in particular the interagency exchange of products--who is affected and how? He also reminded members of the SSCI's continuing view toward a more centralized CI structure.

Regarding improvements on CI analysis, members generally agreed with the Chairman's proposal to create a standing committee (no staff) to meet several times throughout the year for the purpose of focusing, coordinating, and otherwise improving the entire analytical effort. It was noted that such a forum would help each CI organization to better understand how counterpart organizations work. (Relatedly, the Chairman cited, for example, the value of one-year experience in working at the FBI.) Judge Webster voiced his support by noting that such a committee could serve to strengthen the quality of analysis and procedures, and ensure that nothing is overlooked. He said it would be an ideal forum for frank exchange of views and for improving cooperation. Mr. Robert McFarlane, Deputy Assistant to the President for National Security Affairs, said his initial reaction to the proposal is favorable; he said he'd give it more thought and report back to the Chairman. Discussion was inconclusive as to where such a committee should be placed organizationally; this is to be worked out within a week.

Mr. G. Philip Hughes, Office of the Vice President, said in reference to the SSCI's concern for improved CI analytical capability, etc., that the next logical step toward implementing the Study's recommendations would be for each involved agency to contribute toward the construction of a "strawman" for SIG(I) review. He stressed that a firm deadline be established. The Chairman (and others) expressed favor for this approach and instructed the Chairman, IG(CI) to undertake same.

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General Richard Stilwell, representing the Deputy Secretary of Defense, informed the Chairman that completion of the IG/CM Organizational Study can be expected by the end of this month. He noted that the Study involves some 20 different programs. He added that, thus far, the Study's findings are not viewed as "dramatic" and that recommendations will be included.

The Chairman called attention to the <u>Hostile Intelligence Threat</u>

<u>Assessment</u>. He said he favors a complete, new product rather than a mere update—that a new product would not be a burdensome task. Judge Webster agreed.

On behalf of the entire SIG(I), the Chairman expressed deep appreciation for his fine performance as Chief, Community Counterintelligence Staff and for unstinting efforts in support of the SIG(I) and the IGs. will retire on 30 June 1983.

The Chairman concluded the meeting.

ACTION ITEMS:

- -- CI Organization Study approved; Chairman will forward to NSC.
- -- Preparation of an in-depth study--Multidisciplinary CI Analysis and, relatedly, creation of a small advisory commission. (Action: ICS/CCIS)
- -- Implementation of CI Organizational Study recommendations--a "strawman" to be developed. (Action: IG/CI)
- -- Creation of a standing committee to oversee the CI analytical effort. (Action: DCI)
- -- <u>Hostile Intelligence Threat Assessment</u>: Produce and issue an entirely new product. (Action: ICS/CCIS)

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Senior Interagency Group (Intelligence)

8 June 1983

Attendees:	Mr. William J. Casey, DCI (Chmn)*	
Office of the Vice President	Mr. G. Philip Hughes	
Dep. Asst. to Pres.	Mr. Robert McFarlane Mr. Ken deGraffenreid	
State	Mr. Hugh Montgomery	
Defense	General Richard Stilwell, USA, Ret. Mr. L. Britt Snyder	
JCS	VADM Arthur S. Moreau, Jr.	
DIA		25X
NSA		
FBI	Judge William H. Webster Mr. Ed O'Malley	
Justice	Miss Mary Lawton	
ICS	RADM E. A. Burkhalter	
ICS/CI Staff		25 X 2

 \star Mr. Casey was accompanied by Mr. Clair George, Associate Deputy Director for Operations, CIA.

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